

BUSINESSPLAN

INCOME GENERATING ACTIVITY– KNITTING

by

Shakti-Self Help Group Maloh-II



SHG/CIGName	::	Shakti
GP/BMCName	::	Maloh
BMC Sub committee		Maloh-II
Range	::	Sundernager (WL)
Division	::	Kullu (WL)

Prepared under:



Project for Improvement of Himachal Pradesh Forest Ecosystems
Management & Livelihoods

(JICA Assisted)

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1. **Introduction**

Sweater and Cardigan knitting along with knitting socks, mufflers, scarf, caps, gloves etc. is a common household activity mainly among the women in rural India. Most of the women are well conversant with this IGA and they do it happily in their free time and as well while doing other household works. The women in this SHG are already in activity to meet the need of their family members. Now the members have chosen this activity as IGA so that they can earn extra money to meet their expenses and rise some saving also for the difficult times. A group of 9 women of different age group came together to form a SHG under JICA project and decided to craft a business plan which can help them to take this IGA in collective manner and raise their additional income.

2. **Background**

Knitting center by Shakti SHG Sundernager will be located at village Maloh-II P.O. Maloh-II Tehsil Sundernager, Distt. Mandi HP. The total households in village 55 is small village surrounding Maloh-I and Maloh-II for which this Knitting centre will cater for. This centre will provide excellent service and guide the customers about what suits them the best to provide them the product that mark the highest level of satisfaction and comfort for them.

3. Description of SHG/CIG

2.1	SHG/CIGName	::	Shakti
2.2	VFDS/BMC	::	Maloh-II
2.3	Sub-Committee		Maloh-II
2.4	Range	::	Sundernager (WL)
2.5	Division	::	Kullu (WL)
2.6	Village	::	Maloh-II
2.7	Block	::	Sundernager
2.8	District	::	Mandi
2.9	TotalNo.ofMembersin SHG	::	09-females
2.10	Dateofformation	::	24-06-2022
2.11	Banka/cNo.	::	7314000100032991
2.12	BankDetails	::	PNB Maloh
2.13	SHG/CIGMonthlySaving	::	50
2.14	Totalsaving	::	1580
2.15	Totalinter-loaning	::	--
2.16	CashCreditLimit	::	--
2.17	Repayment Status	::	--

4. BeneficiariesDetail:

S.No	NameofCandidate	Daughter/Husband Name	Category	ContactNo	Designation
1	Sheeladevi	Ganga ram	General	9418956238	President
2	NirmlaDevi	Indersingh	General	9418734803	Secretary
3	Gayateridevi	Rakeshkumar	General	9805704064	Cashier
4	Soma devi	Harish kumar	General	8626880133	Member
5	Uma devi	Hukamchand	General	8988369218	Member
6	Sunitadevi	Tirthrasm	General	8988150065	Member
7	Poonamkumari	Harish kumar	General	8219895230	Member
8	Champadevi	Ramesh kumar	General	8988191157	Member
9	Bimladevi	Harnamsingh	General	7876275811	Member

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	33 KM
3.2	Distance from Main Road	::	8KM
3.3	Name of local market & distance	::	Mandi , 33 KM
3.4	Name of main market & distance	::	8 Km
3.5	Name of market & distance	::	Mandi 33km Sundernager ,28km
3.6	Name of places/locations where Product will be sold/ marketed	::	Mandi,Sundernager

6. Management

Knitting centre by Shakti SHG Maloh-II has 09 women members and they will have individual knitting machines and will hire a room in the village to execute their plan and work in a collective manner. Before the start of the actual work in the centre all the members will be imparted a short term capsule course for training them in knitting under some professional trainers.

7. Primary Action Plan

The members of this SHG have very clear vision of this IGA and after careful and thoughtful discussion within the group decided to take up this activity for additional income. The members are doing this activity in isolation but now they have joined hands to venture into this activity at a bit larger scale and in a planned manner. The division of labour between the members has been planned carefully so that each contributes towards strengthening the IGA and resulting the additional money into their pockets.

8. Customers

The primary customers of our centre will mostly be local people around village Maloh-II but later on this business can be scaled by catering to nearby small towns.

9. Target of the centre

The centre primarily aim to provide unique modern and high class knitting service to the residents of Malohvillage in particular and all other residents of nearby villages.

This centre will ensure to become the most renowned knitting centre with quality work in its area of operation in coming years.

10. The reason to start this business

Due to the prior experience of the members of this SHG who are already doing same work here and there this IGA has been selected and therefore the SHG is starting this business. This is an effort to combine the skill of various members and scale up their activity to earn more livelihoods.

11. SWOT Analysis

❖ Strength

- Activity is being already done by some SHG members
- Raw material easily available from nearby markets
- Manufacturing process is simple
- Proper packing and easy to transport
- Other family members will also cooperate with beneficiaries
- Product self-life is long

❖ Weakness

- Lack of technical know-how

❖ Opportunity

- Increasing demand for good products

❖ Threats/Risks

- Competitive market
- Level of commitment among beneficiaries towards participation in training/capacity building & skill up-gradation

12. Machinery, tools and other equipments

The traditional knitting along with the mechanical knitting will go hand in hand so that a value product is made available for marketing and making it competitive both in quality and price tag. Some of the items will be produced in traditional manner and others in mechanical manner depending upon the demand in the targeted area. The following machinery and tools need to be procured.

A. CAPITAL COST				
Sr. No.	Particulars of Machinery.	Quantity	Rate per Unit	Total Amount
1	Punch card knitting machine	07	24000	168,000
2	Knitting machine (Simple)	-	6000	0
3	Knitting design book	-	1500	0
4	Golamaking machine	01	600	600
5	Working table	-	1200	0
6	Plastic chairs	-	475	0
Total capital cost				1,68,600

B. Recurring cost				
Sr. No.	Particulars	Unit	Rate	Amount
1.	Room rent	Per month	1500	1500
2.	Water & electricity	Per month	1000	1000
3.	Knitting yarn of different colour and quality	Per month L/S	84000	84000
4.	Lubricating oil & Pippet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
Total Recurring cost				89300

13. Total production and sale amount in month

Since it is an additional activity in the SHG apart from their routine household work the outcome will be proportionate to the working hours of each member. It is always better initially to keep the production on conservative side which can always be scaled up with passage of time and work experience. Therefore, it is presumed that each member will produce one item per day as finally finished product and daily 8 items can be made available for sale. Keeping in view this production rate of approximately 240 finished items will be ready for sale in one month. As beginner the item rate on an average if presumed to be Rs. 600 each therefore the total income per month is $240 @ 700 = 1,44,000$

Particulars	Total Amount (Rs.)	Project Contribution (75%)	SHG contribution (25%)
Total capital cost	1,68,600	1,26,450	42,150
Recurring cost			
10% depreciation on capital cost/month	1405	-	1405
Other expenditure per month	89,300	-nil-	89,300
Total	2,59,305		132,855

Total sale in a month $(700 * 240) = 1,68,000$

However an amount of rupees 1,26,450 is the project support therefore for calculation purpose this amount can safely be deducted from the expenditure column and the net income can be re-cast again. More over the members of SHG will be doing the job collectively therefore their wages have not been taken into account. The net income at the end of the month is re-cast as under:

<u>Capitalcost</u>		
Particulars	Amount	SHG contribution
Capitalcost	1,68,600	42,150
<u>Recurringexpenditure</u>		
i) 10% depreciation on capitalcostpermonth	1405	1405
i) Otherexpenditureon material cost etc.	89,300	89,300
Total	90,705	90,705
Totalcost	21075+90705=1,11,780	
Totalsale in1stmonth	1,68,000	
Net Profit	56280	

14. **Sharingoftheprofit**

The members of SHG has mutually agreed with consent voice that in the 1st month Rs. 5000 will be paid to each member as income and the remaining profit of Rs. 11280 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

15. **Fundflowinthegroup:**

Sr.No.	Particulars	TotalAmount (Rs)	Project contribution	SHG contribution
1	Totalcapitalcost	16,8600	12,6450	42,150
2	TotalRecurring Cost	89,300	0	89,300
3	Trainings	45,000	45,000	0
	Total outlay	3,02,900	17,1450	13,1450

Note-

- **CapitalCost**-75% of the total capital cost will be borne by the Project
- **RecurringCost**–The entire cost will be borne by the SHG/CIG.
- **Trainings/capacitybuilding/skillup-gradation**–Totalcosttobebornebythe Project

16. Sources of funds and procurement:

Projects support;	<ul style="list-style-type: none">• 75% of capital cost will be utilized for purchase of machines.• Upto Rs. 1 lakh will be parked in the SHG bank account as a revolving fund.• Trainings/capacity building/skill up-gradation cost.	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• 25% of capital cost to be borne by SHG.• Recurring cost to be borne by SHG	

17. Trainings/capacity building/skill up-gradation

Trainings/capacity building/skill up-gradation cost will be borne by project.

Following are some trainings/capacity building/skill up-gradation proposed/needed:

- Teamwork
- Quality control
- Packaging and Marketing
- Financial Management

18. Loan Repayment Schedule-

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is no repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL.

- In CCL, the principal loan outstanding of the SHG must be fully paid to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans, the repayment must be made as per the repayment schedule in the banks.

19. Monitoring Method–

- Social Audit Committee of the VFDS/BMC will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

20. Remarks

Resolution-CUM-Group-consensus Form

It is decided in the General house meeting of the Group SHG Shakti held on 24-06-2022 at Maloh-II that our group will undertake the Knitting as Livelihood Income Generation Activity under the project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Shella Devi
प्रधान
शक्ति स्वयं सहायता समूह
मालोह-II, सुन्दरनगर (हि०प्र०)
Signature of Group President

निधि
प्रधान
शक्ति स्वयं सहायता समूह
मालोह-II, सुन्दरनगर (हि०प्र०)
Signature of Group Secretary

गर्व
Signature of President BMC
विविधता प्रबन्धन उप समिति
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Signature of FTU-CUM-RFO
राम
Range Forest Officer
Wildlife Range
Sundernagar

B.O. Bober
Treasurer
B.O. Bober

R.K.
A.C.F.
Wild Life Division,
Kullu (H.P.)

Approved

अक्षय
Divisional Management Unit Officer-CUM -
Divisional Forest Officer, Wild Life Division,
Kullu, District Kullu .

21.GroupmembersPhotos-



Shila Devi (Member)



Sunita Devi (Member)



Uma Devi (Member)



Gayatri Devi (Member)



Poonam Devi (Member)



Champadevi (Member)



Bimla Devi (Member)



Soma Devi (Member)



Nirmladevi (Member)

